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For: [REDACTED]
 To: [REDACTED]
 From: [REDACTED]
 Date: [REDACTED]
 Dates: 11-27-78

By: [REDACTED]

25X1A

SUBMISSION FOR: Acting Deputy Director (Administration)

SECTION : Chief, Administration, DD/P

SUBJECT : Survey Report of the [REDACTED] / [REDACTED]

25X1A

1. PROBLEM: To evaluate [REDACTED] positions within the 25X1A
SA Division with a view toward determining

- a. The appropriate location organizationally for the most economic and efficient Budget and Fiscal functions, and
- b. The number of personnel estimated to be required for the performance of such functions.

2. FACTS BEARING ON THE PROBLEM.

a. This analysis is restricted to the [REDACTED] 25X1A
SA, its relation to the headquarters branches and field stations of the Division, to present budget and fiscal procedures, and to an analysis of the work factors of the Budget and Fiscal Section.

b. Technical aid and advice was given the Management Office in the making of this analysis by [REDACTED] of the Technical Accounting Staff of the Comptroller's office and [REDACTED] of Finance Division. 25X1A9a
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c. The [REDACTED] SA, now has a staff of [REDACTED] 25X9
regular assigned employees. The Section has accumulated a total of 190 hours of overtime for the months of June, July and August 1953. However, during the same period employees were away from their duties a total of 133 hours on either sick or annual leave.

d. Allotment ledgers wherein individual obligations can be liquidated are maintained. The Section has installed the New Allotment Control Records as prescribed in GS 8 [REDACTED] dated 30 June 1953. 25X1A

e. Request for Shipment (Form 36-4) is prepared in Logistics Section and is routed to the [REDACTED] for 25X1A
obligation. The Chief of the Section states that he has no realistic method of estimation of transportation obligations.

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nor can he liquidate individual obligations from the information given him by Finance Division. There are, therefore, no accurate records of O) money in the [REDACTED] of the Division.

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- c. Since the beginning of the present fiscal year, a suspense file of Requisitions for Supplies, Equipment or Service (Form No. 36-129) has been maintained in the Budget and Fiscal Section. No records have been established to keep accounts on GS and CP Supplies and Materials and/or Equipment which have been withdrawn from Logistics Office, CIA for the various projects. The Chief of the Section stated that he had been awaiting instructions on the manner in which these accounts should be handled and by whom. In the absence of such instructions he is holding these documents in suspense. (See Recommendation (2).)
- d. The SR Division has many problems which are not synonymous with other Area Divisions of the RG/P. Although their operations are world-wide in scope, only one field station is under the Division. Practically all of the SR Division's operations must be carried on in areas under the jurisdiction of other Area Divisions. Field personnel who carry out the functions of SR Division must be attached to field stations under jurisdiction of other Area Divisions. Hence, practically all incoming and outgoing cables and telephones must be sent through the host Division concerned for coordination. The very nature of the operations of this Division together with the high degree of sensitivity of its operations present budget and fiscal problems not comparable to those of other Area Divisions. As an example, some projects must be broken down into smaller portions of the over-all project since its operations may cut across the boundary lines of several other Areas. In addition, reports for headquarters of other Area Divisions originating at field stations of those Divisions may be given a standard format as desired by the Area Division of the field station concerned. However, since most reports for the Division originate at field stations under the jurisdiction of other Divisions, this procedure cannot be used by SR. All of the above problems necessarily increase the workload of the Administrative Staff Sections of the SR Division as compared with a similar activity of another Division.
- e. Many of the host Division's station accountings from which some of SR Division personnel operate do not clear through the SR [REDACTED]. These accountings come into the host Division at Headquarters from their field station and from there go directly to the Finance Division Certifying Officer. If charges to the cryptonyms of SR activities are found on the accounting, the Finance Division Certifying Officer makes the charge SR W/ inappropriate allotment number.

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Only in this way are many charges made to some SO activities.

- 25X9
1. The SO Division has a total annual budget of approximately [REDACTED] The Budget and Fiscal Section maintains records on the following allotments:

~~Headquarters vouchered~~
~~Headquarters unvouchered~~
~~5 Administrative Expense Accounts~~

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[REDACTED]
[REDACTED] type projects

1. Since insufficient time was allotted for survey, it was impossible to review all procedures of the Budget and Fiscal Section, nor was it possible to trace the flow of all obligating documents within the Division, neither did time permit the verification of all statements made by Division personnel interviewed.

3. DISCUSSION.

- a. No actual record of workloads was available in the Section. The following estimate, however, was made by the Chief of the Section as to the apportionment of time of his personnel during a month.

<u>Type of Workload</u>	<u>Hours per Month</u>
Preparing field sub-allotments	
Preparing reports	
Ledger postings	
Peris certification made	
Cables and dispatches prepared	
Cables and dispatches routed through Section for concurrence	
Conferences and Meetings	
Review of proposed regulatory issuances	
Agent Duty reports prepared and reviewed	
Maintenance of taxi fund	
Preparation of travel vouchers	
Preparation of travel orders	
Preparation of Request for Advance	
Preparation and review of Claims log entries	
Review of projects for Administra- tive Plans	
Preparation of Disbursement Vouchers	
Maintenance of pending file on termination of all contracts	

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(cont'd.)

Type of FunctionHours per Month

and maintenance of correspondence control on finance matters

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Miscellaneous*

Total hours per month

*Miscellaneous functions as enumerated by Chief of Budget included the following:

Hours per Month

Review of projects for making a financial annex for case officer

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Meetings, review of drafts, reports for DAPC, hearings on administrative plans for projects

Assistance in accounting for advance

Processing check lists for contract personnel

Assistance to branches on operational accountings

Special procedure for write-off and court cases

Special procedure for termination of employees

liaison with Special Contracting Officer

Training of personnel in HF Section

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Review of station accountings

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Handling of special checks

Overseas finance problems

Time expended answering survey questions

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Maintenance of accounting files

Total Miscellaneous

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- b. It is noted that [REDACTED] per month is expended to the review of proposed [REDACTED] issues. The Chief of the [REDACTED] stated that "recent regulations have been numerous, involved, long, and important. Five people have to consider proposed or announced changes in their procedures and forms". Attention should be called to the fact that the average monthly time expended on this function by all Area Divisions examined thus far has been 3 2/3 hours. The ER [REDACTED] is therefore expending over three times the average on this function.

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- c. The Section states that [REDACTED] per month is expended on preparing reports. The Chief of the Section stated that "about 45 intra-Divisional reports and 45 extra-Divisional reports are prepared each month. Individual time varies from twenty minutes to four hours. Subjects are budget, finance, travel, and accountings". The time expended monthly by ER Division on this function is approximately 3½ times that of the average of all other Area Divisions examined thus far. Extra-Divisional reports prepared by the Section should, for the most part, be the same as those required from all other Area Divisions of the D/P. It would therefore follow that the excess time must be expended in the preparation of the 45 intra-Divisional reports. It is therefore apparent that a review of all intra-Divisional reports now being required of the [REDACTED] be made by the Chief of the Administrative Staff to determine whether or not all are necessary.

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- d. [REDACTED] per month is being expended by this Division performing the function of preparing travel vouchers. The [REDACTED] should discontinue this function, and the employees should be encouraged to utilize Central Processing Branch in accordance with Agency Notice [REDACTED], paragraph 3.

- e. An estimated 4 [REDACTED] hours was expended by personnel of the [REDACTED] on the function of preparing travel orders. It is believed that a study should be made to determine whether the centralization of this function in the Central Processing Branch can be effected and thereby reduce the number of people within the Agency performing this function.

- f. Certain actions on cables and dispatches to the field pertaining to purely technical finance matters have been assigned to Finance Division by [REDACTED] dated 4 June 1963. These functions have been examined in reports previously submitted on other Area Divisions. The section estimates that six hours per month is consumed by giving concurrence on all cables and dispatches.

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rooted through the Division. Most of this time can be attributed to reviewing and commenting on actions arising from those functions specified in the above mentioned Classification Services Notices. It is conceivable that most of this workload can be eliminated by giving releasing authority to Finance Division on purely technical finance matters which do not involve operations.

- g. The Chief of the Budget and Fiscal Section stated that "survey actions occur once a month for an average of [REDACTED] each. These reviews of the Section have included computing techniques, methods examination, personnel and evaluation, table of organization and functions, financial policy, etc." All of the above with the exception of personnel classification and evaluation are specified in CIA Regulation 2 [REDACTED] dated 23 March 1953 as functions of the Comptroller's Office. Since the time element involved in this situation is far in excess of that found in other Area Divisions, a search was made to determine what elements of the Comptroller's Office might be responsible. This search disclosed that only one survey team in addition to the present Management Office team has contacted the [REDACTED] This was during March and April of this year when background information was being obtained for the development of the present efficient control record procedure as outlined in COM [REDACTED] The members of this team stated that the total time spent in the SA Division for this purpose did not exceed five (5) hours.

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- h. One of the workloads of the [REDACTED] described as follows: "Two projects are reviewed per month for setting a financial account for the case officer. These require two hours each". The financial information required in the Project Outline as specified in CIA Notice R [REDACTED] dated 29 July 1953 is neither extensive nor involved for the average project. It is, however, conceded that it could be both lengthy and involved for a large complicated project. The case officers of other divisions examined this for projects those financial answers. At times the Budget and Fiscal officers are contacted for advice and guidance and in some cases they perform a cursory review of the financial data for the case officer before the outline is forwarded out of the Division for approval. Other Area Division Budget and Fiscal officers state that the time element involved in these reviews is infinitesimal. It does not appear that the preparation of a financial account is required of the Budget and Fiscal Section as SA Division Notice [REDACTED] subject "Allocation Procedure", dated 31 August 1953 specifically says in pp. 8c., "After preparation by case officer and prior to release by Branch Chief, each project will be submitted to CDR, SA Administrative Staff, Room 2116 J, for budgetary analysis and logistics coordination. Projects which do not show clearance by C/SA/Admin will not be passed by C/SA."

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1. Job descriptions could be found on only individuals now assigned to the Budget and an up-to-date statement of functions for the [REDACTED] was on file. A statement of current functions was requested and is attached to this report. (See Tab A.) 25X9
- 25X1A
2. Certain Staff Studies are prepared by the Chief of the [REDACTED] which are time consuming. Several examples were discussed. One dealt with the case of an individual previously employed by the Division who had resigned from an overseas post of the Agency. He had requested that his furniture be shipped from his overseas post to a new residence in the U. S. It was stated that this request had been disapproved by both the Logistics Office, CIA and Finance Division, and that the individual had threatened to sue the Agency. The Chief of the Section had been requested to write a study to show why the individual should receive payment. Another example was a case wherein Finance Division had requested the Division to show why certain accountings had not been received and to further show cause why certain write-offs must be made. This latter case resulted from failure of certain individuals to submit required accountings of money advanced by the Agency. Had those individuals who were charged with the responsibility of accounting for Agency funds submitted the accountings on the funds, such staff studies would not be necessary. It would appear that those individuals in an operating position who were responsible for the deficiencies would have the most knowledge of a situation of this kind and would therefore be the logical one to prepare such a staff study. It seems appropriate to call attention to CIA Regulation [REDACTED] dated 4 September 1953 and recommend that all personnel of the SU Division be advised of its publication. 25X1A
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3. It was found that there were instances where both contract agents and staff employees were improperly charged. [REDACTED] personnel reported that the operational branches of the Division had been requested to review the salary charges of all agents and to report all instances where agents were improperly charged but to date the Branches had failed to comply with their request. They further stated that they had sent a memorandum to Finance Division on 27 July requesting changes in the charges of certain Staff employees but as of this date had received no acknowledgment of this memorandum nor had completed action been taken (See Tab B). 25X1A
4. It was reported that there were still a number of items appearing on the IBM accounting reports submitted by Finance Division which could not be identified but that considerable improvement over previous reports is noted. Work on this project is and should be continued by the Technical Accounting Staff of the Corp-
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trelier's Office.

- a. Some of the Field Station Accountings which are being received by the Division are not, in all cases, indicating the proper allotment number to be charged. In other cases no allotment number is cited.

- b. Paragraph 8 of the Functions of the [REDACTED] 25X1A
Division states that it "Reviews all financial documents for approving officer for legality, appropriate form, technical accounting, compliance with regulations, and consistency with approved operations". This function, if carried out, would approach an audit. It should be pointed out that the audit of all financial documents is a Finance Division function and therefore the Area Division [REDACTED] is 25X1A performing a duplicating function when it attempts to review all financial documents for legality, compliance with regulations, etc.

- c. Paragraph 9 of Functions of the [REDACTED] 25X1A
states that the Section, "Reviews all station accountings submitted to Approving Officer for reasonable cost, consistency with approved operations, and compliance with regulations". Operational review of accountings should be the responsibility of the Operational Branch of the Division and "compliance with regulations" is a function performed by Finance Division when its audits financial accountings.

- d. Personnel of the Section estimated that approximately 10% of the travel orders written required amendments. Many of these amendments were made necessary because the information given to the travel clerk was not complete. The Division uses a Request for Travel Orders form (See Tab C), which if properly executed by the Division element requesting the orders, would reduce the number of amendments required.

- e. The SR/Administrative Staff has made an excellent attempt to correct certain financial deficiencies of the Division. This is evidenced by the publishing of the following SR Division Notices:

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- (1) [REDACTED] dated 30 April 1953, Subject: Retrospective Approvals and Authorizations. (See Tab D.)

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- (2) [REDACTED] dated 16 May 1953, Subject: Approval and Pending of Fiscal Year 1954 Operations. (See Tab E.)

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- (3) [REDACTED] dated 22 May 1953, Subject: Supervision of Projects and Accountability. (See Tab F.)

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(b) [REDACTED] dated 31 August 1953, Subject:
Allocation Procedure. (See Tab G.)

4. CONCLUSION.

- a. Organizationally the [REDACTED] is appropriately located as a function of the Administrative Staff of the Division. The Chief of the Administrative Staff is giving adequate support to the Chief of the [REDACTED]. It is imperative, however, that the Chief of the Administrative Staff continue to bring to the attention of all elements of the Division that all allotments are made to the Chief of the Division, that no documents obligating these funds be released by the Division without the certification of the Chief, [REDACTED] Section or his designee that funds are available in the account charged, and that the primary mission of the [REDACTED] Section is to prepare annual budgets, to ensure the Chief of the Division that funds allotted to him will not be over-committed, and finance activities of an Administrative Staff support nature. 25X1A
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- b. Many of the inadequacies which now prevent the maintenance of accurate financial records by the SH Division [REDACTED] Section are caused by deficiencies over which the Area Division has no control. These include a method of liquidating obligations arising from Request for Shipment (Form No. 36-4) and better identification of items appearing on the monthly financial accounting report submitted to the Division by Finance Division. As previously stated in this report, the August 1953 accounting report shows a definite improvement over those submitted in prior months but is not yet to a place where it can be said that it is adequate. The Technical Accounting Staff, Office of the Comptroller is working with both Area Divisions and Finance Division to improve this situation. 25X1A
- c. Many of the deficiencies indicated by this study could have been avoided by an effective inspection program within the Agency.
- d. This examiner believes that there is a tendency toward over-centralization of administrative functions in the [REDACTED] of the SH Division. Although many administrative functions can be more effectively performed by a centralized Administrative Staff, there are others which can be performed more effectively and more expeditiously in the Bureau of the Division. 25X1A
- e. Notwithstanding the fact that the employment of additional personnel has been requested by the [REDACTED] an analysis of the workload of the Bureau indicates that the [REDACTED] 25X1A

present staff of six people is adequate to perform the necessary budget and fiscal staff functions for the Division.

5. RECOMMENDATIONS.

a. It is recommended that:

(1) A study be made to determine the feasibility of charging all transportation charges, exclusive of those necessary for the movement of personal effects against one allotment.

(2) Instructions be given all [REDACTED] or the various Area Divisions relative to procedures, types of records to be maintained on the property authentication control procedure of O&P and G funds. 25X1A

(3) Names such as "Budget Office", [REDACTED], 25X1A

[REDACTED], are applied to those sections of the Administrative Staff of the various Area Divisions performing budget, fiscal, and finance functions. Since the terminology "Budget and Fiscal Officers" is used in regulations (O&P [REDACTED]) it is recommended that, in the interest of standardization, the terminology [REDACTED] be used throughout the Area Divisions of the D/P/T when referring to these functions.

(4) The [REDACTED] to continue the function of preparing travel Vouchers for staff employees, and the employees be encouraged to utilize Central Processing Branch in accordance with Agency Notice [REDACTED] paragraph 2.

(5) A review be made of all intra-divisional reports now being required of the [REDACTED] to determine whether or not all are necessary. 25X1A

(6) A study be made to determine whether the function of preparing travel orders can be withdrawn from all Area Divisions and staff element of the D/P/T and assigned to the Central Processing Branch. It is believed that this centralization would reduce not only the number of allotments to travel orders now being prepared and thereby reduce the number of personnel necessary to perform this function but also the number of electric typewriters now needed in the D/P/T element.

(7) Relocating authority on dispatches and cables to the field pertaining to purely technical finance matters as specified in [REDACTED] dated 4 June 1953, be delegated to Chief of Finance Division.

(8) [REDACTED] access to prepare the financial

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comes to projects and that Case Officers be required to prepare the entire Project Outline as specified in CIA Directive [redacted] dated 20 July 1953 and follow procedure as described in [redacted] dated 31 August 1953.

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- (9) Job descriptions to prepared on all individuals in [redacted]
- (10) Staff Studies required to be made because of differences of the operational branches of the Division to be prepared by the operating personnel of the Branch concerned.
- (11) The [redacted] of the Administrative Staff to require to periodically check the Division payroll of staff employees and the Branches check the charges of all contract agents to determine whether or not all employees are properly charged.
- (12) The elements of the D/P and Office of The Comptroller continue their efforts to work out a uniform method of identifying obligations and expenditures.
- (13) The [redacted] cease its efforts to pre-audit financial documents.
- (14) Those Division elements responsible for initiating a request for travel orders to instruct to be as exact and specific as possible in their initial request and thereby decrease the number of travel order contacts.
- (15) The Comptroller's Office in conjunction with the appropriate element of the D/P institute a more effective inspection program whereby all Area Division [redacted] sections will be periodically inspected.
- (16) The Division request all Area Divisions at whose stations G-2 activities are located to route to the SR Division all pertinent information on the station accountings of stations of other Area Divisions on which appear charges to G-1 projects or accounts.
- (17) A thorough and more detailed study be made of the present budget and fiscal procedures of the SR Division in order to provide accurate budgetary control of funds allotted to the Division, to insure the recording of all obligations incurred against said allotments and to expedite the flow of organization documents and field station accountings through the Division to Finance Division.
- (18) At such time as recommendations 4 and 6 are accepted and

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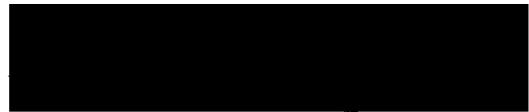
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installed, the 2/3 of the [REDACTED] can be reduced to five and when other agencies reported to this study are corrected, it is believed that the 2/3 can be further reduced to four.

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~~Management Reserve~~AttachmentTitle A thru GTECHNICAL ADVISORY:

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Office of Finance Division RepresentativeIC/
Technical Accounting Staff
Office of the Comptroller

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CONCLUDING:ISIComptroller's Office RepresentativeAPPENDIX:ISI
Assistant Management Officer (D/A)
(For Classification Services)

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ISI~~SECRET~~
U. S. Rep.
Management Officer (D/A)

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